

State of California

Office of Administrative Law

In re:

Board of Equalization

Regulatory Action:

Title 18, California Code of Regulations

Adopt sections:

Amend sections: 1532, 1533.1, 1533.2, 1534,
1535, 1598

Repeal sections:

**NOTICE OF APPROVAL OF CHANGES
WITHOUT REGULATORY EFFECT**

**California Code of Regulations, Title 1,
Section 100**

OAL File No. 2013-0606-02 N

As part of the November 6, 2012, General Election, California voters approved Proposition 30, which added section 36 to article XIII of the California Constitution. Section 36, subdivision (f)(1), temporarily increases the state sales and use tax by one quarter of one percent for a four-year period from January 1, 2013 through December 31, 2016. Existing California Code of Regulations, title 18, sections 1532, 1533.1, 1533.2, 1534, 1535, and 1598 all describe partial exemptions from the tax provided by Revenue and Taxation Code sections 6356.5, 6356.6, 6357.1, 6357.7, 6358.5, or 6378, to which temporary tax imposed by section 36 of article XIII of the California Constitution applies. The State Board of Equalization proposes to amend sections 1532, 1533.1, 1533.2, 1534, 1535, and 1598 of title 18 of the California Code of Regulations as a change without regulatory effect to incorporate the one quarter of one percent increase in the relevant partial exemption rates. Furthermore, the partial exemption provided by Revenue and Taxation Code section 6357.7 applied to the one percent sales and use tax imposed by Revenue and Taxation Code sections 6051.7 and 6201.7 until that one percent sales and use tax expired on July 1, 2011. Existing section 1598 of title 18 of the California Code of Regulations has not been updated to reflect the expiration of this tax. For this reason, the State Board of Equalization also proposes to amend section 1598 of title 18 of the California Code of Regulations as a change without regulatory effect to reflect the one percent decrease in the rate of partial exemption provided by Revenue and Taxation Code section 6357.7 due to the expiration of the tax.

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, Title 1, section 100.

Date: 7/11/2013



Craig S. Tarpenning
Assistant Chief Counsel

For: DEBRA M. CORNEZ
Director

Original: Cynthia Bridges
Copy: Richard Bennion

OFFICE OF ADMINISTRATIVE LAW

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DEBRA M. CORNEZ
Director

MEMORANDUM

TO: Richard Bennion
FROM: OAL Front Desk *LW*
DATE: 7/16/2013
RE: Return of Approval Rulemaking Materials
OAL File No. 2013-0606-02N

OAL hereby returns this file your agency submitted for our review (OAL File No. 2013-0606-02N regarding Teleproduction or Other Postproduction Service Equipment).

If this is an approved file, it contains a copy of the regulation(s) stamped "ENDORSED APPROVED" by the Office of Administrative Law and "ENDORSED FILED" by the Secretary of State. The effective date of an approved regulation is specified on the Form 400 (see item B.5). **Beginning January 1, 2013**, unless an exemption applies, Government Code section 11343.4 states the effective date of an approved regulation is determined by the date the regulation is filed with the Secretary of State (see the date the Form 400 was stamped "ENDORSED FILED" by the Secretary of State) as follows:

- (1) **January 1** if the regulation or order of repeal is filed on September 1 to November 30, inclusive.
- (2) **April 1** if the regulation or order of repeal is filed on December 1 to February 29, inclusive.
- (3) **July 1** if the regulation or order of repeal is filed on March 1 to May 31, inclusive.
- (4) **October 1** if the regulation or order of repeal is filed on June 1 to August 31, inclusive.

If an exemption applies concerning the effective date of the regulation approved in this file, then it will be specified on the Form 400. The Notice of Approval that OAL sends to the state agency will contain the effective date of the regulation. The history note that will appear at the end of the regulation section in the California Code of Regulations will also include the regulation's effective date. Additionally, the effective date of the regulation will be noted on OAL's Web site once OAL posts the Internet Web site link to the full text of the regulation that is received from the state agency. (Gov. Code, secs. 11343 and 11344.)

Please note this new requirement: Government Code section 11343 now requires:

1. Section 11343(c)(1): Within 15 days of OAL filing a state agency's regulation with the Secretary of State, the state agency is required to post the regulation on its Internet Web site in an easily marked and identifiable location. The state agency shall keep the regulation posted on its Internet Web site for at least six months from the date the regulation is filed with the Secretary of State.
2. Section 11343(c)(2): Within five (5) days of posting its regulation on its Internet Web site, the state agency shall send to OAL the Internet Web site link of each regulation that the agency posts on its Internet Web site pursuant to section 11343(c)(1).

OAL has established an email address for state agencies to send the Internet Web site link to for each regulation the agency posts. Please send the Internet Web site link for each regulation posted to OAL at **postedregslink@oal.ca.gov**.

DO NOT DISCARD OR DESTROY THIS FILE

Due to its legal significance, you are required by law to preserve this rulemaking record. Government Code section 11347.3(d) requires that this record be available to the public and to the courts for possible later review. Government Code section 11347.3(e) further provides that "...no item contained in the file shall be removed, altered, or destroyed or otherwise disposed of." See also the Records Management Act (Government Code section 14740 et seq.) and the State Administrative Manual (SAM) section 1600 et seq.) regarding retention of your records.

If you decide not to keep the rulemaking records at your agency/office or at the State Records Center, you may transmit it to the State Archives with instructions that the Secretary of State shall not remove, alter, or destroy or otherwise dispose of any item contained in the file. See Government Code section 11347.3(f).

Enclosures

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instruction
reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

| | | | |
|--|---------------------------------|--|------------------|
| OAL FILE NUMBERS | NOTICE FILE NUMBER Z- | REGULATORY ACTION NUMBER 2013-0606-02N | EMERGENCY NUMBER |
| For use by Office of Administrative Law (OAL) only | | | |
| NOTICE | | REGULATIONS | |

ENDORSED FILED
IN THE OFFICE OF

2013 JUL 11 PM 2:22


 DEBORAH BOWEN
 SECRETARY OF STATE
AGENCY WITH RULEMAKING AUTHORITY
State Board of Equalization

AGENCY FILE NUMBER (if any)

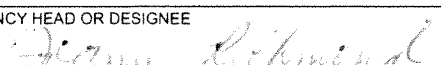
A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

| | | | | |
|---|--|--------------------------|------------------------|-------------------------------|
| 1. SUBJECT OF NOTICE | | TITLE(S) | FIRST SECTION AFFECTED | 2. REQUESTED PUBLICATION DATE |
| 3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other | | 4. AGENCY CONTACT PERSON | TELEPHONE NUMBER | FAX NUMBER (Optional) |
| OAL USE ONLY | ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn | | NOTICE REGISTER NUMBER | PUBLICATION DATE |

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

| | | | |
|--|--|--|---|
| 1a. SUBJECT OF REGULATION(S) Teleproduction or Other Postproduction Service Equipment | | 1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) | |
| 2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related) | | | |
| SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.) | | ADOPT | |
| TITLE(S) 18 | | AMEND 1532, 1533.1, 1533.2, 1534, 1535, 1598 | |
| | | REPEAL | |
| 3. TYPE OF FILING | | | |
| <input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) | | | |
| <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) | | | |
| <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____ | | | |
| <input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only | | | |
| 4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1) | | | |
| 5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100) | | | |
| <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input checked="" type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____ | | | |
| 6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY | | | |
| <input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____ | | | |
| 7. CONTACT PERSON Richard E. Bennion | | TELEPHONE NUMBER (916) 445-2130 | FAX NUMBER (Optional) (916) 324-3984 |
| | | E-MAIL ADDRESS (Optional) rbennion@boe.ca.gov | |

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

| | |
|---|----------------------|
| SIGNATURE OF AGENCY HEAD OR DESIGNEE  | DATE June 6, 2013 |
| TYPED NAME AND TITLE OF SIGNATORY Joann Richmond, Chief, Board Proceedings Division | |

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JUL 11 2013

Office of Administrative Law

Text of Proposed Changes to

Title 18. Public Revenue

Regulation 1532. Teleproduction or Other Postproduction Service Equipment.

(a) Partial Exemption for Property Purchased for Use in Teleproduction or Other Postproduction Services. Commencing on January 1, 1999, section 6378 of the Revenue and Taxation Code provides a partial exemption from sales and use tax for certain properties described in this regulation.

For the period commencing on January 1, 1999, and ending on December 31, 2000, the partial exemption applies to the taxes imposed by ~~S~~sections 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5%), but does not apply to the taxes imposed pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2001, and ending on December 31, 2001, the partial exemption applies to the taxes imposed by sections 6051 and 6201 of the Revenue and Taxation Code (4.75%), but does not apply to the taxes imposed pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2002, and ending on June 30, 2004, the partial exemption applies to the taxes imposed by ~~S~~sections 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5%), but does not apply to the taxes imposed pursuant to ~~sections~~Section 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or ~~S~~section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2004, and ending on March 31, 2009, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on April 1, 2009, and ending on June 30, 2011, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6051.7, 6201, 6201.3, 6201.5, and 6201.7 of the Revenue and Taxation Code (6.25%) but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2011, and ending on December 31, 2012, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the

Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2013, the partial exemption applies to the taxes imposed by section 36 of article XIII of the California Constitution and sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.50%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

Subject to the limitations set forth above, this partial exemption applies to sales or use taxes imposed on the gross receipts from the sale of, and the storage, use, or other consumption in this state of, any of the following items:

- (1) . . . (unchanged).
- (2) . . . (unchanged).
- (b) . . . (unchanged).
- (c) . . . (unchanged):
 - (1) . . . (unchanged).
 - (2) . . . (unchanged):
 - (A) . . . (unchanged).
 - (B) . . . (unchanged).
 - (C) . . . (unchanged).
 - 1. . . . (unchanged).
 - 2. . . . (unchanged).
 - (3) . . . (unchanged).
 - (4) . . . (unchanged):
 - (A) . . . (unchanged).
 - (B) . . . (unchanged).
 - (C) . . . (unchanged).

- (D) . . . (unchanged).
- (5) . . . (unchanged):
- (A) . . . (unchanged).
- (B) . . . (unchanged).
- (C) . . . (unchanged).
- (6) . . . (unchanged):
- (A) . . . (unchanged).
- (B) . . . (unchanged).
- (d) . . . (unchanged).
- (e). . . (unchanged).
- (1) . . . (unchanged).
- (2) . . . (unchanged).
- (3) . . . (unchanged):
- (A) . . . (unchanged).
- (B) . . . (unchanged).
- (C) . . . (unchanged).
- (D) . . . (unchanged).
- (E) . . . (unchanged).
- (F) . . . (unchanged).
- (G) . . . (unchanged).
- (4) . . . (unchanged).
- (5) . . . (unchanged).
- (f) . . . (unchanged).

(g) . . . (unchanged).

(h) . . . (unchanged).

(i) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(j) . . . (unchanged).

(k) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Section 6378, Revenue and Taxation Code.

Appendix A to Regulation 1532. Section 6378 Exemption Certificate.

Changes to first paragraph of Appendix A:

Please Note: This is a partial exemption from sales and use tax at the rate of 5.50% effective January 1, 2013, 5.25% from effective July 1, 2011 to December 31, 2012, 6.25% from April 1, 2009 to June 30, 2011, 5.25% from July 1, 2004 to March 31, 2009, 5% from January 1, 2002 to June 30, 2004, 4.75% from January 1, 2001 to December 31, 2001, and 5% from January 1, 1999 to December 31, 2000. You are not relieved from your obligations for the local and district taxes on this transaction. This partial exemption also does not apply to any tax levied pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, or pursuant to section 35 of article XIII of the California Constitution. The exemption is specific to these transactions only and may not be construed to exempt other transactions. This exemption also applies to lease payments made on or after January 1, 1999, notwithstanding the fact that the lease agreement was entered into prior to January 1, 1999. This certificate may *not* be used to purchase certain property such as, furniture, inventory, meals, vehicles, equipment used to store products or real property.

All other text in Appendix A is unchanged.

Appendix B to Regulation 1532. Section 6378 Blanket Exemption Certificate.

Changes to first paragraph of Appendix B:

Please Note: This is a partial exemption from sales and use tax at the rate of 5.50% effective January 1, 2013, 5.25% from effective July 1, 2011 to December 31, 2012, 6.25% from April 1, 2009 to June 30, 2011, 5.25% from July 1, 2004 to March 31, 2009, 5% from January 1, 2002 to June 30, 2004, 4.75% from January 1, 2001 to December 31, 2001, and 5% from January 1, 1999 to December 31, 2000. You are not relieved from your obligations for the local and district taxes on this transaction. This partial exemption also does not apply to any tax levied pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, or pursuant to section 35 of article XIII of the California Constitution. This exemption also applies to lease payments made on or after January 1, 1999, notwithstanding the fact that the lease agreement was entered into prior to January 1, 1999. This certificate may ***not*** be used to purchase certain property such as furniture, inventory, meals, vehicles, equipment used to store products or real property.

All other text in Appendix B is unchanged.

Regulation 1533.1. Farm Equipment and Machinery.

(a) General. Commencing on and after September 1, 2001, ~~Section~~ 6356.5 of the Revenue and Taxation Code partially exempts from sales and use tax the sale of, and the storage, use, or other consumption in this state, of farm equipment and machinery, and parts of farm equipment and machinery purchased for use by a qualified person to be used primarily in producing and harvesting agricultural products. The terms “farm equipment and machinery,” “parts of farm equipment and machinery,” “qualified person,” and “producing and harvesting agricultural products” are defined below.

For the period commencing on September 1, 2001, and ending on December 31, 2001, the partial exemption applies to the taxes imposed by ~~Sections~~ 6051 and 6201 of the Revenue and Taxation Code (4.75%), but does not apply to the taxes imposed pursuant to ~~Sections~~ 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or ~~Section~~ 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2002, and ending on June 30, 2004, the partial exemption applies to the taxes imposed by ~~Sections~~ 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5%), but does not apply to the taxes imposed pursuant to ~~Sections~~ 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or ~~Section~~ 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2004, and ending on March 31, 2009, the partial exemption applies to the taxes imposed by ~~Sections~~ 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to ~~Sections~~ 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or ~~Section~~ 35 of article XIII of the California Constitution.

For the period commencing on April 1, 2009, and ending on June 30, 2011, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6051.7, 6201, 6201.3, 6201.5, and 6201.7 of the Revenue and Taxation Code (6.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2011, and ending on December 31, 2012, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2013, the partial exemption applies to the taxes imposed by section 36 of article XIII of the California Constitution and sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.50%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley- Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

(b) . . . (unchanged):

(1) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(2) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(3) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(6) . . . (unchanged).

(7) . . . (unchanged).

(c) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(D) . . . (unchanged).

(E) . . . (unchanged).

(F) . . . (unchanged).

(G) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(d) . . . (unchanged).

(e) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(f) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(g) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(h) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(i) . . . (unchanged).

(j) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Section 6356.5, Revenue and Taxation Code.

Regulation 1533.2. Diesel Fuel Used in Farming Activities or Food Processing.

(a) General. Commencing on and after September 1, 2001, Section 6357.1 of the Revenue and Taxation Code partially exempts from sales and use tax the sale of, and the storage, use, or other consumption in this state, of diesel fuel used in farming activities or food processing. The terms “farming activities” and “food processing” are defined below.

For the period commencing on September 1, 2001, and ending on December 31, 2001, the partial exemption applies to the taxes imposed by Sections 6051 and 6201 of the Revenue and Taxation Code (4.75%), but does not apply to the taxes imposed pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or Section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2002, and ending on June 30, 2004, the partial exemption applies to the taxes imposed by Sections 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5%), but does not apply to the taxes imposed pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or Section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2004, and ending on March 31, 2009, the partial exemption applies to the taxes imposed by Sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or Section 35 of article XIII of the California Constitution.

For the period commencing on April 1, 2009, and ending on June 30, 2011, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6051.7, 6201, 6201.3, 6201.5, and

6201.7 of the Revenue and Taxation Code (6.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2011, and ending December 31, 2012, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6051.8, 6201, 6201.3, 6201.5, and 6201.8 of the Revenue and Taxation Code, but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2013, the partial exemption applies to the taxes imposed by section 36 of article XIII of the California Constitution and sections 6051, 6051.3, 6051.5, 6051.8, 6201, 6201.3, 6201.5, and 6201.8 of the Revenue and Taxation Code, but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution. Given the varying rates of the taxes imposed by sections 6051.8 and 6201.8, the partial exemption applies to the following cumulative sales and use tax rates:

- (1) 7.12 percent for the period July 1, 2011, through June 30, 2012;
- (2) 7.42 percent for the period July 1, 2012, through December 31, 2012~~June 30, 2013~~;
- (3) 7.67 percent for the period January 1, 2013 through June 30, 2013;
- (34) 7.44~~7.19~~ percent for the period July 1, 2013, through June 30, 2014; and
- (45) 7.25~~90~~ percent on or after July 1, 2014.

(b) . . . (unchanged):

(1) . . . (unchanged).

Example A: . . . (unchanged).

Example B: . . . (unchanged).

Example C: . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(4) . . . (unchanged).

Example A: . . . (unchanged).

Example B: . . . (unchanged).

Example C: . . . (unchanged).

(5) . . . (unchanged).

(6) . . . (unchanged).

(7) . . . (unchanged).

(c) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(D) . . . (unchanged).

(E) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(d) . . . (unchanged).

(e) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(f) . . . (unchanged).

(g) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(h) . . . (unchanged).

(i) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Section 6357.1, Revenue and Taxation Code.

Regulation 1534. Timber Harvesting Equipment and Machinery.

(a) General. Commencing on and after September 1, 2001, section 6356.6 of the Revenue and Taxation Code partially exempts from sales and use tax the sale of, and the storage, use, or other consumption in this state, of off-road commercial timber harvesting equipment and machinery, and parts of off-road commercial timber harvesting equipment and machinery, that are purchased by a qualified person for use primarily in timber harvesting. The terms “off-road commercial timber harvesting equipment and machinery,” “parts of off-road commercial timber harvesting equipment and machinery,” “qualified person,” and “commercial timber harvesting operations” are defined below.

For the period commencing on September 1, 2001, and ending on December 31, 2001, the partial exemption applies to the taxes imposed by sections 6051 and 6201 of the Revenue and Taxation Code (4.75%), but does not apply to the taxes imposed pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2002, and ending on June 30, 2004, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5%), but does not apply to the taxes imposed pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2004, and ending on March 31, 2009, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on April 1, 2009, and ending on June 30, 2011, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6051.7, 6201, 6201.3, 6201.5, and

6201.7 of the Revenue and Taxation Code (6.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2011, and ending on December 31, 2012, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2013, the partial exemption applies to the taxes imposed by section 36 of article XIII of the California Constitution and sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.50%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

(b) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(6) . . . (unchanged).

(7) . . . (unchanged).

(8) . . . (unchanged).

(c) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(D) . . . (unchanged).

(E) . . . (unchanged).

(F) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(d) . . . (unchanged).

(e) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(f) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(g) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(h) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(i) . . . (unchanged).

(j) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Section 6356.6, Revenue and Taxation Code.

Regulation 1535. Racehorse Breeding Stock.

(a) General. Commencing on and after September 1, 2001, section 6358.5 of the Revenue and Taxation Code partially exempts from sales and use tax the sale of, and the storage, use, or other consumption in this state, of racehorse breeding stock purchased for use by a qualified person. The terms “racehorse breeding stock” and “qualified person” are defined below.

For the period commencing on September 1, 2001 and ending December 31, 2001, the partial exemption applies to the taxes imposed by sections 6051 and 6201 of the Revenue and Taxation Code (4.75%), but does not apply to the taxes imposed pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2002, and ending on June 30, 2004, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5%), but does not apply to the taxes imposed pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2004, and ending on March 31, 2009, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on April 1, 2009, and ending on June 30, 2011, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6051.7, 6201, 6201.3, 6201.5 and 6201.7 of the Revenue and Taxation Code (6.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2011, and ending on December 31, 2012, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2013, the partial exemption applies to the taxes imposed by section 36 of article XIII of the California Constitution and sections 6051, 6051.3, 6051.5, 6201, 6201.3, and 6201.5 of the Revenue and Taxation Code (5.50%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2 and 6201.2 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

(b) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(4) . . . (unchanged).

(c) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(D) . . . (unchanged).

- (E) . . . (unchanged).
- (F) . . . (unchanged).
- (G) . . . (unchanged).
- (4) . . . (unchanged).
- (5) . . . (unchanged).
- (d) . . . (unchanged).
- (e) . . . (unchanged).
 - (1) . . . (unchanged).
 - (2) . . . (unchanged).
- (f) . . . (unchanged).
 - (1) . . . (unchanged).
 - (2) . . . (unchanged).
- (g) . . . (unchanged).
 - (1) . . . (unchanged).
 - (2) . . . (unchanged).
- (h) . . . (unchanged).
 - (1) . . . (unchanged).
 - (2) . . . (unchanged).
 - (3) . . . (unchanged).
- (i) . . . (unchanged).
- (j) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Section 6358.5, Revenue and Taxation Code.

Regulation 1598. Motor Vehicle and Aircraft Fuels.

(a) . . . (unchanged).

(b) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(c) . . . (unchanged).

(1) . . . (unchanged):

(A) . . . (unchanged),

(B) . . . (unchanged), and

(C) . . . (unchanged).

(2) . . . (unchanged):

(A) . . . (unchanged):

1. . . . (unchanged).

2. . . . (unchanged).

3. . . . (unchanged).

4. . . . (unchanged).

5. . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged):

1. . . . (unchanged).

2. . . . (unchanged).

3. . . . (unchanged).

4. . . . (unchanged).

(D) . . . (unchanged).

(E) . . . (unchanged).

(F) . . . (unchanged).

(d) Partial Exemption for Motor Vehicle Fuel. Operative July 1, 2010, section 6357.7 of the Revenue and Taxation Code provides a partial exemption from sales and use tax for the sale of, and the storage, use, or other consumption in this state of motor vehicle fuel. “Motor vehicle fuel” means gasoline and aviation gasoline and does not include jet fuel, kerosene, liquefied petroleum gas, natural gas in liquid or gaseous form, alcohol, or racing fuel, as defined in the Motor Vehicle Fuel Tax Law.

For the period commencing on July 1, 2010, and ending on June 30, 2011, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6051.7, 6201, 6201.3, and 6201.7 of the Revenue and Taxation Code (cumulative statewide 6% sales and use tax rate), but does not apply to the taxes imposed or administered pursuant to sections 6051.2, 6051.5, 6201.2, or 6201.5 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on July 1, 2011, and ending on December 31, 2012, the partial exemption applies to the taxes imposed by sections 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2, 6051.5, 6201.2, or 6201.5 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

For the period commencing on January 1, 2013, the partial exemption applies to the taxes imposed by section 36 of article XIII of the California Constitution and sections 6051, 6051.3, 6201, and 6201.3 of the Revenue and Taxation Code (5.25%), but does not apply to the taxes imposed or administered pursuant to sections 6051.2, 6051.5, 6201.2, or 6201.5 of the Revenue and Taxation Code, the Bradley-Burns Uniform Local Sales and Use Tax Law, the Transactions and Use Tax Law, or section 35 of article XIII of the California Constitution.

(e) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged):

(A) . . . (unchanged);

(B) . . . (unchanged);

(C) . . . (unchanged); and

(D) . . . (unchanged).

(3) . . . (unchanged).

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(f) . . . (unchanged).

(g) . . . (unchanged).

(h) . . . (unchanged)

(1) . . . (unchanged).

(2) . . . (unchanged).

(i) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(j) . . . (unchanged).

(1) . . . (unchanged).

(2) . . . (unchanged).

(k) . . . (unchanged).

(1) . . . (unchanged):

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged):

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Sections 6011, 6012, 6051.8, 6201.8, 6245.5, 6357, 6357.3, 6357.5, 6357.7 and 6423, Revenue and Taxation Code.